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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015 / 2016

BMG 3824 CROSS CULTURE MANAGEMENT (Distance Education)

2 MARCH 2016
2.30 p.m – 4.30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENTS

This examination paper consists of **SIX (6)** pages in **TWO (2)** Sections:

1. Section A – 20 Multiple choice questions (40 marks)

Instruction: Answer **ALL** questions. Shade your answers in the OMR answer sheet provided using a '2B' or 'BB' pencil.

2. Section B – 5 Essay questions (60 marks) – All questions carry equal marks.

Instruction: Answer **ANY THREE (3)** questions. Write your answers in the answer booklet provided.

SECTION A (40 Marks)**Answer ALL questions**

Identify the letter of the choice that best completes the statement or answers the question. *All questions carry two (2) marks each.*

Shade your choice of answers in the OMR answer sheet provided.

1. Which of the following best describes nationalization?
 - A. Forced sale of an MNC's assets to local buyers
 - B. Government's gradual and subtle actions against a firm
 - C. Hiring preferences given to locals rather than expatriates
 - D. Outsourcing of governmental functions to private entities

2. Intelligentia is attempting to do business in Bazania, but the Bazanian government purposely delays granting Intelligentia the necessary licenses and permissions required to conduct business in the country. Which of the following best describes this situation?
 - A. Confiscation
 - B. Nationalization
 - C. Barriers to repatriation
 - D. Creeping expropriation

3. For global corporations, the primary impact of political risks is likely to be on the firm's _____.
 - A. ownership and control
 - B. hiring and recruiting policies
 - C. transfers of money or products
 - D. managerial strategy and policy-making

4. Which of the following is a form of protectionist policies?
 - A. Bribes
 - B. Tariffs
 - C. Patents
 - D. Foreign direct investment

5. Global managers who exhibit cultural intelligence and cultural sensitivity will most likely be able to _____.
 - A. conduct efficient performance appraisals
 - B. implement technological changes quickly
 - C. request bonuses for overseas job assignments
 - D. negotiate effectively in expatriate assignments

Continued.....

6. An international manager can best develop an understanding of a particular culture by _____.
A. using stereotypes to develop cross-cultural understanding in a business setting
B. creating a cultural profile for that country or region in which the firm does business
C. hiring locals rather than expatriates for management positions in overseas subsidiaries
D. assuming that his or her own cultural styles and practices can be successfully followed in the host country

7. According to Hofstede, societies that accept strong hierarchical boss-subordinate relationships are high on _____.
A. collectivism
B. individualism
C. power distance
D. uncertainty avoidance

8. The European view of information privacy most likely stems from its _____.
A. culture and history
B. competitive origins
C. foreign business practices
D. global nature of information technology

9. A French businessman has a meeting scheduled with a Brazilian to negotiate terms of a joint venture. The Frenchman prepares for the meeting in the way he always does when negotiating with French firms. The Frenchman assumes that the Brazilian will perceive and reason the way he does. Which of the following terms best describes the Frenchman's mistake?
A. Parochialism
B. Moral idealism
C. Cognitive dissonance
D. Projective cognitive similarity

10. In the negotiation process, participation in social events, tours, ceremonies, and informal conversation is a characteristic of the _____ stage.
A. preparation
B. relationship building
C. information exchange
D. concessions and agreement

Continued....

11. The method of using extreme positions during the concessions and agreement stage of negotiation involves _____.
 - A. approaching the issue in a holistic manner
 - B. general and polite conversation to socialize
 - C. careful timing of the disclosure of information and concessions
 - D. building mutual trust before embarking on business discussions

12. What are the two negotiation stages that Americans should expect when negotiating with the Chinese?
 - A. Technical and commercial
 - B. Propositions and marketing
 - C. Informational and agreement
 - D. Gift-exchange and socializing

13. Runnerz Inc., a leading manufacturing and retail company that designs and develops footwear and apparel, has signed a contract with a particular courier service for managing the delivery process. The courier service is required to deliver goods from the factory to the warehouse, to customers, and also to collect customer payments for the goods. This is a typical example of a(n) _____.
 - A. turnkey operation
 - B. greenfield investment
 - C. non-equity strategic alliance
 - D. international licensing agreement

14. Which of the following is a pitfall of cross-border alliances?
 - A. Convincing expatriates
 - B. Disputes over management
 - C. Finding local skilled employees
 - D. Increase in the number of existing competitors

15. Which of the following factors most significantly affects all other variables necessary for the successful implementation of a global alliance?
 - A. Employee leadership
 - B. Product performance
 - C. Organizational policies
 - D. Organizational structure

Continued.....

16. Organizational design as a mechanism for factoring international joint venture control refers to the _____.
A. geographic location of the joint venture's facilities
B. human resource plans and policies of the joint venture
C. market share and profitability ratios of the organization
D. amount of decision-making power that the joint venture holds

17. In addition to the global war for talent, there are considerable strategic competitive challenges for firms. Which of the following is one such challenge?
A. Relocating operations around the world
B. Obtaining talent using a regiocentric approach
C. Increasing talent in order to lower the costs of operations
D. Obtaining competent talent at higher wages than competitors

18. _____, when placed in key positions, are perceived by employees as acceptable compromises between headquarters and local managers.
A. Repatriates
B. Third-country nationals
C. Home-country nationals
D. Parent-country nationals

19. Which of the following will most likely produce a specific mix of parent-country nationals, home-country nationals, and third-country nationals, according to the needs of the company?
A. Local staffing approaches
B. Polycentric staffing approaches
C. Regiocentric staffing approaches
D. Ethnocentric staffing approaches

20. Joan Kerry, an American national, worked as a senior manager in her firm's headquarters in New Jersey. When her firm opened a new office in San Francisco, she was transferred to California. Soon, she started feeling like an immigrant in her own country owing to the differences in attitudes and lifestyle between New Jersey and California. Joan is most likely experiencing _____.
A. segregation
B. social distance
C. power distance
D. subculture shock

Continued.....

SECTION B (60 Marks)**Answer any THREE (3) questions.***Write your answers in the answer booklet provided. All questions carry equal marks.*

1. a. Discuss some of the negative effects of financial globalization on the world economy. What are some actions taken by governments to address these negative effects?
(10 marks)

1. b. What is political risk? Identify and describe four means of political risk adaptation.
(10 marks)
[20 marks]

2. a. What is meant by the culture of a society, and why is it important for international managers to understand it?
(10 marks)

2. b. What are some of the legal issues arising in different countries pertaining to Internet usage? Describe the impact of these legal issues on international management practices.
(10 marks)
[20 marks]

3. a. How is conflict during negotiations handled in high-context and low-context cultures? What is the difference between an internal locus of control and an external locus of control? What cultures use each type?
(10 marks)

3. b. Explain the usage of nonverbal behaviors by people of various cultural backgrounds. What is the effect of this usage of nonverbal behaviors on the negotiation process?
(10 marks)
[20 marks]

4. a. Discuss the problems inherent in developing a cooperative alliance in order to enhance competitive advantage while incurring the risk of developing a new competitor.
(10 marks)

4. b. Explain some of the challenges of managing and implementation global strategic alliances. How can outsourcing assist the managing and implementation process?
(10 marks)
[20 marks]

Continued.....

5. a. Briefly explain the ethnocentric, polycentric, regiocentric, and global staffing approaches.

(10 marks)

b. What are the main training techniques as proposed by Tung for assisting expatriates in the adjustment process? Describe how training can be integrated with a global orientation perspective.

(10 marks)

[20 marks]

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